

# Santa Clara County Economic Forecast

Santa Clara County is the largest county in the San Francisco Bay Area. The northwest portion of the county, known as Silicon Valley, is the home to many leading computer and electronics companies. The county thrived in the late 1990s when technology was booming, but since the dotcom bust of 2000 the county has been slow to recover. Santa Clara County has a population of 1.76 million people and more than 840,000 wage and salary jobs. The per capita income in the county is \$46,556, and the average salary per worker is the highest in the state at \$77,560. The median family income is also highest in the state at \$105,500.

Employment growth in the composite Northern California area was weak in 2004, due primarily to the sluggish Bay Area economies. In fact, employment in the Bay Area declined by 1 percent last year. In 2004 almost 15,000 more jobs were lost in Santa Clara County, representing the fourth straight year of job losses in the county. Non-farm employment declined by 1.7 percent last year. However the unemployment rate fell to 6.6 percent in 2004.

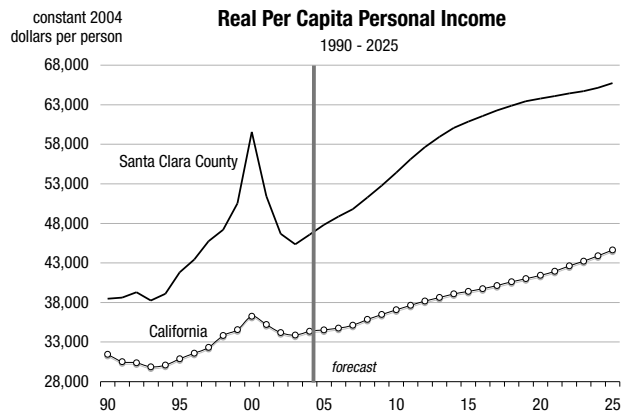
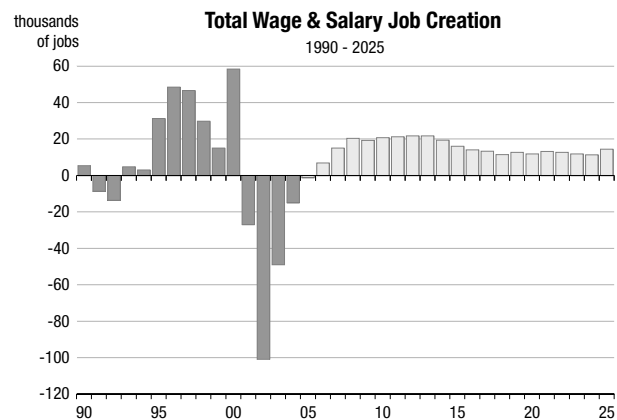
Few sectors created jobs in Santa Clara County in 2004. In fact, only education and healthcare services, financial activities, leisure services, and wholesale trade created jobs last year. Manufacturing and professional services experienced the largest declines in employment. Each sector lost over 4,000 jobs last year.

The population continues to grow in Santa Clara County, and the growth rate has risen to 1 percent per year. The fastest growing cities in the county are Gilroy and Morgan Hill, which grew 3.4 and 2.2 percent, respectively. The largest city in the county, San Jose, grew 0.7 percent last year.

Employment growth will remain slow in Santa Clara County through 2006. In 2007 and beyond the county will return to healthier levels of job creation and population growth.

## Forecast Highlights

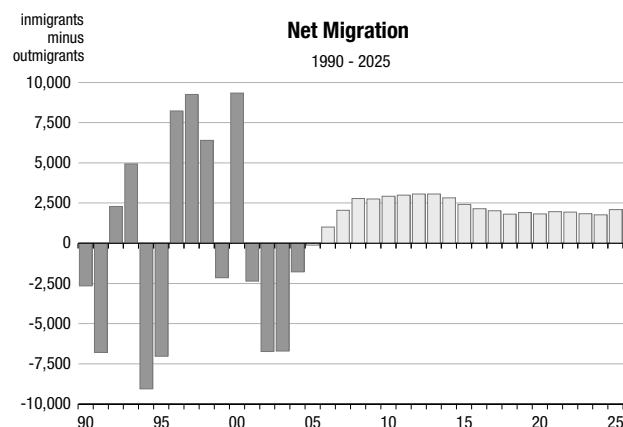
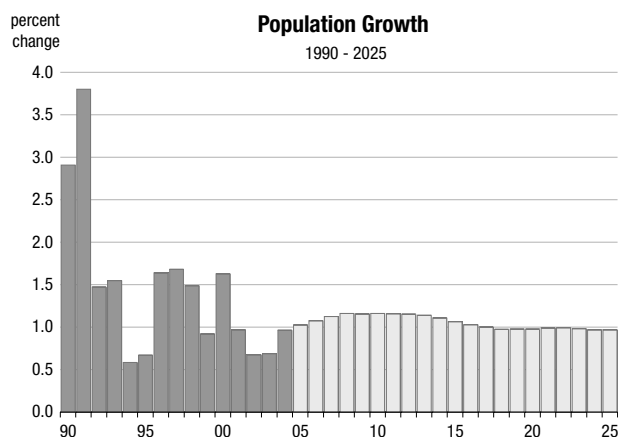
- Virtually no job growth is expected in Santa Clara County in 2005. In 2006 jobs are forecast to be created for the first time since 2000. Over the next five years, the annual growth rate is expected to average 1.9 percent per year.
- Average salaries adjusted for inflation are currently well above the California state average, and will remain so over the foreseeable future. Real average salaries are forecast to rise an average of 1.8 percent per year over the next 5 years.
- Over the next five years, the momentum for employment growth is in professional services. This sector alone will account for 57 percent of all jobs created in the county over the next five years.
- The population will continue to grow at a rate of 1 percent in 2005. Annual growth in the 2005 to 2010 period is forecast to increase slightly to an average of 1.1 percent per year.
- Net migration is expected to remain negative in 2005. Over the next five years net migration is expected to turn positive, with an average of 2,300 net migrants entering the county per year.
- Real per capita incomes increase at a rate of 2.7 percent in 2005. Over the next five years real per capita incomes are forecast to increase 2.6 percent per year.
- Industrial production is expected to increase a scant 0.4 percent in 2005. Over the next five years the growth rate of industrial production is forecast to increase, averaging gains of 3.3 percent per year.



# Santa Clara County Economic Forecast

## 1995-2004 History, 2005-2025 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (millions)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
1995	1,573,500	-7,025	1.31	538.1	3,484	\$22.6	\$50.2	\$41,818	2.0	209.4	20.8	5.0
1996	1,599,300	8,231	1.35	541.4	7,501	\$25.3	\$54.2	\$43,423	2.3	189.1	22.5	3.6
1997	1,626,200	9,261	1.30	544.4	8,810	\$27.0	\$60.0	\$45,736	3.4	189.3	24.6	3.0
1998	1,650,400	6,402	1.39	551.5	7,526	\$27.5	\$64.9	\$47,200	3.2	191.9	25.4	3.2
1999	1,665,600	-2,145	1.40	559.2	7,010	\$30.3	\$73.0	\$50,542	4.2	203.0	26.5	3.0
2000	1,692,759	9,347	1.45	565.9	7,054	\$37.3	\$91.4	\$59,559	4.5	332.0	31.0	2.0
2001	1,709,188	-2,354	1.47	570.7	5,960	\$32.1	\$84.0	\$51,436	5.4	301.7	24.2	4.6
2002	1,720,757	-6,728	1.47	576.7	4,513	\$27.5	\$78.0	\$46,690	1.6	263.4	21.3	8.5
2003	1,732,637	-6,703	1.42	582.3	7,490	\$27.1	\$77.7	\$45,354	1.8	243.9	20.9	8.2
2004	1,749,365	-1,773	1.46	586.9	5,504	\$28.9	\$81.4	\$46,556	1.2	226.6	20.9	6.6
2005	1,767,328	-113	1.46	591.6	5,781	\$35.2	\$86.4	\$47,809	1.7	220.1	21.0	6.0
2006	1,786,384	1,008	1.47	596.9	5,958	\$38.9	\$91.6	\$48,853	2.7	215.3	21.2	5.7
2007	1,806,519	2,051	1.49	602.5	5,400	\$42.0	\$96.9	\$49,809	2.6	209.9	22.1	5.4
2008	1,827,527	2,787	1.51	607.5	5,210	\$45.1	\$103.5	\$51,262	2.6	207.2	23.1	5.0
2009	1,848,686	2,765	1.53	612.4	4,700	\$47.9	\$110.4	\$52,775	2.5	202.6	23.9	5.0
2010	1,870,182	2,925	1.56	616.8	4,958	\$50.9	\$118.2	\$54,408	2.7	197.9	24.7	4.9
2011	1,891,895	2,998	1.58	621.4	4,942	\$54.2	\$126.7	\$56,097	2.7	195.1	25.4	4.8
2012	1,913,745	3,065	1.60	626.0	5,218	\$57.6	\$135.5	\$57,648	2.8	192.2	26.4	4.7
2013	1,935,589	3,075	1.63	630.9	5,272	\$61.1	\$144.2	\$58,950	2.9	188.5	27.6	4.6
2014	1,957,073	2,824	1.65	635.8	4,879	\$64.5	\$152.9	\$60,074	2.9	185.5	29.0	4.7
2015	1,977,951	2,421	1.67	640.4	4,661	\$67.7	\$161.4	\$60,871	3.1	182.3	30.3	4.9
2016	1,998,315	2,150	1.69	644.7	4,353	\$70.9	\$169.9	\$61,585	3.0	179.0	31.4	5.0
2017	2,018,347	2,027	1.71	648.8	4,347	\$74.2	\$178.5	\$62,287	2.9	177.9	32.6	5.2
2018	2,038,049	1,815	1.73	652.8	4,590	\$77.4	\$186.9	\$62,867	2.7	175.8	33.7	5.2
2019	2,057,974	1,909	1.75	657.1	4,394	\$80.8	\$195.7	\$63,440	2.8	173.5	34.9	5.0
2020	2,078,090	1,831	1.77	661.2	4,160	\$84.1	\$203.9	\$63,768	2.7	171.3	36.3	4.9
2021	2,098,709	1,967	1.79	665.1	4,344	\$87.5	\$212.3	\$64,083	2.6	170.9	37.5	4.6
2022	2,119,585	1,941	1.82	669.1	4,261	\$91.0	\$221.3	\$64,438	2.6	169.1	38.2	4.4
2023	2,140,436	1,845	1.84	673.1	4,591	\$94.6	\$230.7	\$64,721	2.7	168.8	38.8	4.4
2024	2,161,181	1,777	1.86	677.4	4,352	\$98.4	\$240.8	\$65,149	2.7	166.5	39.5	4.5
2025	2,182,145	2,098	1.88	681.4	4,667	\$102.6	\$251.8	\$65,725	2.7	164.4	40.6	4.3



# Santa Clara County Employment Forecast

## 1995-2004 History, 2005-2025 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	-----employment (thousands of jobs)-----											
1995	836	4.50	28.7	223.0	14.9	112.2	30.4	147.0	24.6	77.6	61.0	87.8
1996	885	5.14	32.5	237.8	16.2	119.2	31.4	162.8	26.0	78.5	62.2	87.4
1997	932	5.07	36.3	247.2	16.7	124.3	32.3	181.3	28.1	81.4	64.6	88.5
1998	961	5.15	41.1	246.1	16.9	126.2	33.8	196.7	29.0	84.2	66.7	88.9
1999	977	5.28	44.6	234.9	17.3	128.9	34.2	207.1	32.5	85.5	68.6	91.4
2000	1,035	5.01	47.4	251.7	17.5	132.9	34.0	225.8	42.7	85.2	71.4	94.5
2001	1,008	4.62	47.8	240.6	16.3	128.9	35.2	210.0	41.9	89.8	72.0	94.6
2002	907	4.47	42.3	201.2	15.0	119.3	35.0	173.2	34.2	91.1	67.4	98.1
2003	858	4.17	38.8	177.0	14.2	114.4	34.8	164.3	31.0	92.7	67.5	94.8
2004	843	3.88	37.5	170.8	13.4	114.9	34.9	160.2	30.7	93.5	67.7	91.8
2005	842	3.86	36.3	169.2	13.7	116.2	35.1	158.0	32.2	95.2	68.3	89.7
2006	849	3.83	36.1	168.4	13.9	118.5	35.5	160.9	33.1	96.8	69.1	88.7
2007	864	3.79	35.9	167.2	14.3	121.1	35.8	168.7	34.6	99.5	70.2	88.3
2008	885	3.78	36.0	166.3	14.7	124.0	36.1	179.0	36.8	102.5	71.5	88.4
2009	904	3.75	36.0	164.7	15.0	126.6	36.5	189.9	39.2	104.6	72.8	88.9
2010	925	3.72	36.1	163.5	15.4	129.1	36.7	201.9	41.6	106.6	74.0	89.6
2011	946	3.71	36.4	162.6	15.6	131.5	37.0	214.3	43.8	108.6	75.2	90.4
2012	968	3.69	36.8	162.4	15.9	133.7	37.4	226.5	45.8	110.5	76.3	91.4
2013	990	3.67	37.2	164.0	16.2	135.8	37.8	237.5	47.5	112.3	77.5	92.4
2014	1,009	3.65	37.4	165.6	16.4	137.6	38.2	247.0	49.0	114.2	78.4	93.5
2015	1,025	3.63	37.3	166.4	16.5	139.0	38.5	255.1	50.3	116.1	79.2	94.6
2016	1,039	3.61	36.9	167.7	16.7	140.3	38.8	261.1	51.6	118.1	79.9	95.8
2017	1,053	3.60	36.6	168.9	16.9	141.5	39.1	266.4	53.0	120.1	80.5	96.9
2018	1,064	3.59	36.6	168.0	17.1	142.7	39.3	271.1	54.4	122.4	81.1	98.1
2019	1,077	3.58	36.3	168.1	17.4	144.1	39.5	276.0	55.6	124.8	81.9	99.3
2020	1,089	3.57	36.1	168.0	17.7	145.4	39.7	280.7	56.6	126.8	82.6	100.5
2021	1,102	3.56	35.9	168.6	18.0	146.8	39.9	285.4	57.7	129.2	83.5	101.8
2022	1,115	3.55	35.8	168.5	18.3	148.2	40.1	290.1	58.7	131.9	84.3	103.0
2023	1,127	3.55	36.0	167.8	18.6	149.4	40.3	294.6	59.9	134.5	85.0	104.3
2024	1,138	3.54	35.9	166.8	18.8	150.5	40.5	299.2	61.2	137.2	85.6	105.7
2025	1,153	3.53	36.0	168.3	19.1	151.8	40.6	303.8	62.7	139.8	86.2	107.1

